



MANAGED COMPETITION

UPDATE

DECEMBER 2007

OVERVIEW

This update provides you with important information about the City's managed competition program. On Friday, November 30, the Mayor announced the first functions to be included in pre-competition assessments. The functions and pre-competition assessment process are summarized below.

PRE-COMPETITION ASSESSMENTS COMMENCE

At the end of November and the beginning of December, pre-competition assessments for the following functions will commence:

- Bindery and reproduction services (Publishing Division of the General Services Department)
- Container delivery services (Environmental Services Department)
- Dead animal pick-up (Environmental Services Department)
- Disposal operations (Environmental Services Department)
- Fee booth operations (Environmental Services Department)
- Graphic design (Publishing Division of the General Services Department)
- Greenery compost facility operations (Environmental Services Department)
- Landfill monitoring and maintenance (Environmental Services Department)
- Pavement markings and signs (Street Division of the General Services Department)
- Sidewalk maintenance (Street Division of the General Services Department)
- Solid waste collection services (Environmental Services Department)
- Storm drains maintenance (Street Division of the General Services Department)
- Street lights maintenance (Street Division of the General Services Department)
- Street maintenance (Street Division of the General Services Department)
- Street sweeping (Street Division of the General Services Department)
- Traffic signals maintenance (Street Division of the General Services Department)

PRE-COMPETITION ASSESSMENT STEPS:

The purpose of a pre-competition assessment is to gather data and assess whether City functions are eligible and appropriate for competitive procurement. The steps for the pre-competition assessments are summarized below.

Document Function Information

- Document high level activities and tasks associated with the function
- Detail resources devoted to the performance of those activities and tasks (including personnel and non-personnel expenses devoted to its performance and dollars invested through existing support contracts)
- Assess workload and data systems including determining the availability of workload data and activity performance levels, and identifying the systems that collect this information

Determine if Function is Eligible for Competitive Procurement

- Conduct inherently governmental analysis – determine whether a function is so intimately related to the exercise of the public interest as to mandate performance by City personnel
- Conduct legal limitations analysis – evaluate whether there are legal restrictions preventing competition

Determine Risks to Competition

- Identify risks, if any, of transition including potential risks to service interruption and potential financial liabilities associated with transition
- Identify risks, if any, to public welfare including potential risks to public health and safety if the function were not performed adequately

Research Availability of Alternatives and Projected Competitive Market

- Determine whether there are service providers able and interested in providing the service
- Identify potential efficiency gains to be realized through competition
- Identify opportunities for economic gains through competition

PRE-COMPETITION ASSESSMENT STEPS CONTINUED:

Document Conclusions and Recommendations:

- Provide a summary of conclusions on whether the functions are appropriate candidates for competitive procurement

Once the above steps are completed, the results will be documented in a report signed by the Deputy Chief Operating Officer (DCOO) of the function's group (for example, the DCOO for Public Works will sign reports for Environmental Services Department). The report will provide a recommendation to the Mayor on whether a function is eligible and appropriate for competition. The Mayor will make the final decision about whether a function is eligible and appropriate for competition and whether it will proceed to competitive procurement.

Information Meetings for Affected Employees

Meetings will be scheduled with staff of those functions entering the pre-competition assessment phase to provide additional information and answer questions. Meetings will be conducted by managed competition program staff and your Department Director. These meetings will be scheduled via your Department management within the next two weeks.

Managed Competition Process Overview

A brief overview of the major phases of managed competition is described below. For more detailed information, please see the Managed Competition Guide posted on the Business Office's intranet site at www.sandiego.gov/mayor/pdf/mcguide.pdf

Pre-competition Assessment (est. 1 to 2 months): A high-level analysis to determine whether a function is eligible and appropriate for competition.

Preparation for Competition (est. 2 months): An in-depth analysis of the function to prepare for competition.

Statement of Work (SOW) and Request for Proposal (RFP) Development (est. 3 months): A detailed process defining the tasks that will be bid on and ultimately performed by the winning service provider (City employees or independent contractor).

Proposal Development (est. 1 month): The period during which the Employee Proposal Team and independent contractors develop and submit proposals in response to the RFP.

Proposal Evaluation and Award Determination (est. 2 months): The evaluation, comparison and determination of the "best value" proposal. The Independent Review Board will recommend the proposal providing the "best value" to the Mayor, who may approve or disapprove (but not change) the recommendation. If the recommendation is that a service should be provided by an independent contractor, the Mayor will forward his decision to the City Council for approval.

Transition (est. 6 months): The period when City employees transition to their Most Efficient Organization (MEO) or when the function transitions to an independent contractor.

Performance Monitoring: Monitoring and auditing the performance of the award recipient—whether City employees or private vendors.

Activity	Timeline
Initiate pre-competition assessments	By end of 2007
Complete initial pre-competition assessments	Winter 2007/Spring 2008
Announce functions for initial procurement	Spring 2008
Develop RFP	Spring – Summer 2008
Advertise solicitation	Summer 2008
IRB reviews proposals	Fall 2008
Mayor/Council consider award recommendations	End of 2008
Transition to proposed service delivery process completed	By Summer 2009
Begin performance monitoring	Thereafter

More information on managed competition may be found on the intranet at <http://citynet/businessoffice/mancomp/index.shtml>